

## ARTICLE 24

## HOME RULE LEGISLATION/FINANCIAL ESTIMATES & BUDGET DOCUMENTS

**VOTED:** *That the Town does hereby request and authorize the Select Board to file Home Rule Legislation to provide substantially as follows:*

### *“AN ACT AMENDING THE ARLINGTON TOWN MANAGER ACT RELATIVE TO FINANCIAL ESTIMATES AND BUDGET REPORTING.*

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:*

*SECTION 1. Section 31 of Chapter 503 of the Acts of 1952 (The Town Manager Act of Arlington) as subsequently amended, is hereby amended to allow for submission of a “draft” financial estimate report to the Arlington Select Board in advance of a “revised” financial estimate report, which shall have the benefit of further information regarding state aid for the ensuing fiscal year, so as to read in relevant part as follows:*

*On or before the second business day of January each year, all boards and departments not under the control of the Town Manager shall submit to the Town Manager in writing detailed estimates for their respective boards or departments of the fiscal requirements for the ensuing fiscal year. These submissions shall include detailed estimates of any revenues that support their budgets and shall be in a format as required by the Town Manager or as provided by Town bylaws.*

*No later than the fifteenth day of January each year, the Town Manager shall submit to the Select Board, with copies to each member of the Finance Committee, a carefully detailed draft estimate in writing of the fiscal requirements for the ensuing fiscal year of each fund and department of the Town along with a detailed draft listing of all projected revenues to support these requirements prior to the receipt of the Governor's Budget outlining projected state aid sources of revenue for the Town for the ensuing fiscal year.*

*Thereafter, on or before the 31<sup>st</sup> of January, the Town Manager shall submit to the Select Board, with copies to each member of the Finance Committee, a carefully detailed final estimate in writing of the fiscal requirements for the ensuing fiscal year of each fund and department of the Town along with a detailed final listing of all projected revenues to support these requirements including any and all state aid revenues for the Town for the ensuing fiscal year projected in the Governor's Budget.*

*The Town Manager shall state the amount required to meet the interest and maturing bonds and notes or other outstanding indebtedness of the Town. All the estimates required by this section shall include a statement of the budgeted amount for the current year and the actual expenditures for the two preceding years.*

*SECTION 2. That Section 32 of The Town Manager Act of Arlington as subsequently amended, is hereby amended to allow for transmission of the Town Manager's revised financial estimate, on or before the first Tuesday in February rather than the first day of February , so as to read in relevant part as follows:*

*Preparation of an Annual Budget and Final Budget Document. Town Manager Act through Chapter 10 of the Acts of 2022 Town of Arlington The Select Board shall consider the estimates submitted by the Town Manager and other department heads, and shall on or before the first ~~day~~ Tuesday of February each year transmit their recommendations relative thereto to each member of the Finance Committee. On or before the first day of September each year, the Comptroller shall prepare and submit to the Select Board, the Town Manager, and all other boards and departments not under the control of the Town Manager, including the School Department, a final budget document setting forth the boards and departments of the Town by name and the categories of expenditures from all sources to be made during the fiscal year. The name of the fund and the amount it contributes to each board and departmental budget shall be identified. A comparison of prior year budgeted to actual expenditures shall be included for each board and department in total. The budget shall include a summary schedule of all major revenues, expenditures and other financing sources of the Town. An update shall be prepared and distributed within thirty days of final adjournment of a Special Town Meeting wherein additional appropriations have been voted.*

*SECTION 3. This act shall take effect upon its passage.*

**(5 – 0)**

**Comment:** The Select Board recommends the foregoing update to the Town Manager Act, chiefly in the interests of presenting a budget with the benefit of more robust financial data for state aid for both the Town and Arlington Public Schools. At present, the Manager is required to submit an estimated budget without knowing the projected amounts of state aid both the Town and the School Department are expected to receive from the Governor's Budget. As such, proposed budgets are often immediately altered positively or negatively depending on the amount of state aid projected and reserved for specific expenses. The Select Board recognizes the importance of the Finance Committee's ability to assume its work as soon as possible in every budget cycle. As such, the proposed change would still require the Town Manager to submit a draft estimate by January 15<sup>th</sup> of each year such that the Finance Committee can begin to scrutinize budgets as best they can before the budget proposal is finalized with the benefit of data regarding state aid. Meanwhile, the Select Board would provide the Finance Committee this more informed "revised financial estimate" only a week or less after its current deadline of February 1<sup>st</sup>.